

BEFORE THE  
POSTAL REGULATORY COMMISSION  
WASHINGTON, D.C. 20268-0001

COMPETITIVE PRODUCT PRICES  
PRIORITY MAIL CONTRACT 77 (MC2014-18)  
NEGOTIATED SERVICE AGREEMENT

Docket No. CP2014-31

**NOTICE OF UNITED STATES POSTAL SERVICE OF  
CHANGE IN PRICES PURSUANT TO  
AMENDMENT TO PRIORITY MAIL CONTRACT 77**  
(March 1, 2016)

The Postal Service hereby provides notice that prices under Priority Mail Contract 77, in the above-captioned proceeding, have changed as contemplated by the contract's terms. A redacted version of the amendment to Priority Mail Contract 77 is provided in Attachment A, and the unredacted amendment is being filed under seal. The amendment will become effective two business days after the day that the Commission completes its review of this filing.

The Postal Service is also filing supporting financial documentation and a certified statement as required by 39 C.F.R. § 3015.5. The certified statement required by 39 C.F.R. § 3015.5(c)(2) is provided in Attachment B. A redacted version of the supporting financial documentation is included with this filing as a separate Excel file. The Postal Service's original application for non-public treatment in this docket is hereby incorporated by reference for the protection of these materials.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

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March 1, 2016

**ATTACHMENT A**

**REDACTED AMENDMENT TO PRIORITY MAIL CONTRACT 77**

[REDACTED]

**AMENDMENT TWO OF  
SHIPPING SERVICES CONTRACT  
BETWEEN  
THE UNITED STATES POSTAL SERVICE  
AND**

**REGARDING PRIORITY MAIL SERVICE**

WHEREAS, the United States Postal Service ("the Postal Service") and [REDACTED] ("Customer") entered into a shipping services contract regarding Priority Mail service on March 8, 2014.

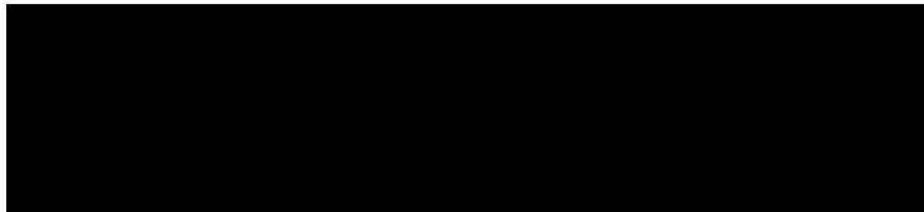
WHEREAS, the Parties desire to amend Sections I.E, I.F, I.G, Section III, and replace Table 2 under this contract.

NOW, THEREFORE, the Parties agree that the contract is hereby amended as detailed below. The existing contract remains unchanged in all other respects. This amendment shall become effective two business days following the day on which the Commission issues all necessary regulatory approval.

Replace Section I.E, I.F, I.G., Section III, and Table 2 as follows:

**I. Terms**

- E. On the effective date of this amendment, the Customer shall receive Tier 2 rates until March 31, 2016. After March 31, 2016 Customer shall receive the applicable rate in Table 2 below, based on Customer's volume in the previous Contract Quarter.



- F. For subsequent years of the contract, customized prices under this contract will be the lesser of: (1) the previous year's prices plus the most recent (as of the anniversary date) percentage change in prices of general applicability for Priority Mail Commercial Plus, as calculated by the Postal Service, or (2) the previous year's prices plus [REDACTED]

- G. Customized prices for the subsequent years will be calculated by the Postal Service and rounded up to the nearest whole cent.

### III. Expiration, Termination, and Extension

A. Expiration. This Contract shall expire six (6) years from the effective date, unless (1) terminated by either Party with thirty (30) calendar days' notice to the other Party in writing pursuant to Article III.B; (2) renewed by mutual agreement in writing and subsequent approval by the Commission; (3) superseded by a subsequent contract between the Parties; (4) ordered by the Commission or a court; or (5) otherwise required to comply with subsequently enacted legislation.

B. Termination. Each Party reserves the right to terminate this Contract for convenience, without penalty, with thirty (30) calendar days' written notice to the other Party. Each Party may terminate this Contract in its entirety upon written notice if the other Party breaches any material term of this Contract and fails to cure such breach within thirty (30) calendar days after receipt by the breaching Party of written notice from the non-breaching Party describing such breach. The right to terminate shall be in addition to and shall not be in lieu of any other remedies available to the parties hereunder or by law.

C. Extension. If, at the conclusion of this Contract term, both Parties agree that preparation of a successor SSC is active, the SSC will be extended for up to two (2) ninety (90) calendar day periods with official notification to the Commission within at least seven (7) calendar days of the Contract's expiration date. Upon both Parties agreement of the extension, the escalation clause will be implemented in Section I.F, throughout the extension period.

IN WITNESS WHEREOF, the Parties hereto have caused this amendment to be duly executed as of the later date below:

UNITED STATES POSTAL SERVICE

Signed by: DocuSigned by: Cliff Rucker

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Printed Name: Cliff Rucker

Title: VP Sales

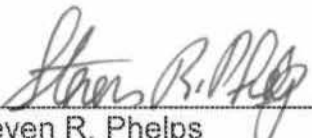
Date: 2/12/2016

**ATTACHMENT B**  
**SIGNED CERTIFICATION**

**Certification of Prices for Amendment to Priority Mail Contract 77**

I, Steven R. Phelps, Manager, Regulatory Reporting and Cost Analysis, Finance Department, am familiar with the prices and terms for the amendment to Priority Mail Contract 77. The amended prices and terms contained in this Contract were established by the Decision of the Governors of the United States Postal Service on the Establishment of Prices and Classifications for Domestic Competitive Agreements, Inbound International Competitive Agreements, and Other Non-Published Competitive Rates (Governors' Decision No. 11-6).

I hereby certify, based on the financial analysis provided herewith, that the amended prices are in compliance with 39 U.S.C § 3633 (a)(1), (2), and (3). They are expected to cover attributable costs. There should therefore be no subsidization of competitive products by market dominant products. The amended contract should not impair the ability of competitive products on the whole to cover an appropriate share of institutional costs.

  
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Steven R. Phelps